STATEMENT OF
CHAIRMAN BRENDAN CARR

Re: *Protecting Against National Security Threats to the Communications Supply Chain through the Equipment Authorization Program,* ET Docket No. 21-232, Third Report and Order and Third Further Notice of Proposed Rulemaking (July 22, 2026).

The FCC's Covered List has evolved a lot over the years. Congress created the Covered List in 2019 in the Secure Networks Act, and it did so to bar FCC subsidies to carriers using dangerous equipment. Congress provided it with additional teeth in 2021 through the Secure Equipment Act, which prohibited the FCC from authorizing covered equipment for import or sale in the U.S. In 2022, we adopted rules implementing these prohibitions.

Over the last year and a half, the FCC has continued to lean on the Covered List. Indeed, the FCC has added new products, new services, and new entities to the Covered List. This includes the addition of foreign-produced drones and routers that Executive Branch national security agencies determined pose unacceptable national security risks. As a result, new models of drones and routers are generally prohibited unless they are made in the U.S. or approved by the Department of War or DHS following the submission of an onshoring plan.

Since these national security actions, we have seen many economic benefits as well: over $4 billion has flowed to U.S.-based drone and related production companies, opening up hundreds of thousands of square feet of manufacturing space and creating thousands of jobs. We are seeing similar results on the router side, too, with dozens of companies committing to produce routers in America.

Additionally, following the FCC's first Covered List rulemaking since the agency adopted our initial rules, we have taken steps to prohibit the import or sale of even *already-authorized* covered equipment. Last month, we finalized a ban on already-authorized devices added to the Covered List in 2024 or earlier; and just yesterday we proposed to ban the import or sale of already-authorized foreign-produced military grade drones, like swarming drones.

Given all this action, today, we are taking a range of actions to bolster and modernize the Commission's Covered List rules. Among other final and proposed rules, three are worth highlighting here.

First, we take action to finally and fully close the component part loophole. Since 2022, devices made by Covered List entities, like Huawei, were banned from getting new authorizations, but devices containing Huawei component parts could continue to get approval to enter the U.S. market, even though the compromised component part can make up the whole device. Last year, we took an initial step to stop this, by prohibiting devices containing Huawei modular transmitters. But now we go further to prohibit devices containing any Huawei-made logic-bearing hardware component (basically any "smart" component).

Second, we expand our oversight of e-commerce platforms. This follows the success of the FCC's "Operation Clean Carts," an agency effort working with e-commerce platforms to rid the internet of millions of illegal listings of covered equipment. We clarify that platforms that host third-party sellers generally still "market" equipment under FCC rules. We also require platforms to list FCC IDs when selling their devices, facilitating greater consumer awareness and FCC oversight and enforcement of our national security rules. But we also tailor these rules to minimize the regulatory burden—providing reasonable timelines, exemptions for small sellers and sellers of used goods, and similar actions to smooth the transition to these new requirements.

Finally, the Commission also seeks comment today on a range of ideas to further modernize the Covered List, proposing to expand FCC oversight over our existing equipment authorization process,

given the crucial role it plays in national security. We specifically seek comment on a range of ways we can update our rules in light of the recent foreign-produced drone and router Covered List updates.

For their work on the item, I want to thank Andy Hendrickson, Alice Jou, Mateo Dunne, Katherine Patsas Nevitt, Brandon Moss, Erika Heeren-Moon, Thomas Rigolage, Chris Smeenk, Rebecca Clinton, Shannon Lipp, Kevin Pittman, and Deb Broderson.